

# **Assessment Of Natural Gas Distribution Companies**

2012 Annual Conference of the  
Missouri Assessors Association

# What Are They?

- Natural gas distribution companies are companies serving intrastate customers, mostly residential and commercial/industrial customers.
- They are privately owned as opposed to municipally owned, which are not taxable.

# Who Assesses Them?

- Natural gas distribution companies are assessed by the county assessor.
- They are **NOT** state assessed. Because they are locally assessed, the assessment should be placed in the assessment roll, not the RR & utility book.

# How Do I Value Them?

- Extremely limited information available to attempt an income or market approach.
- Historically have utilized the cost approach to value.

# What Information Is Needed To Determine The Value?

- Original cost
  - This would include freight, taxes, installation
- Year placed in service for each asset
  - FERC requires companies to maintain an inventory of active assets for 25 years after acquisition.
- Location of the assets
  - Company cannot provide a detailed map of asset locations due to Homeland Security issues.

# Company Information



## State Tax Commission of Missouri

Return this form to the county assessor

### Natural Gas Distribution Company Statement of Taxable Property

This information is prepared for:  County

#### CONTACT INFORMATION:

Name of Company:	<input type="text"/>
Mailing Address:	<input type="text"/>
City, State, Zip Code:	<input type="text"/>
Person to Contact:	<input type="text"/>
Title:	<input type="text"/>
Telephone Number:	<input type="text"/>
Fax Number:	<input type="text"/>
Email Address:	<input type="text"/>

#### INSTRUCTIONS:

**PURPOSE:** This information will be utilized by the assessor in determining the market value of the respondent's property in the county as of January 1 of the current year.

**WHO MUST FILE:** Any person, company or corporation that owns, controls or manages a gas distribution company must complete and file these schedules.

**REPORTING PERIOD:** All property owned, used or leased by the respondent on the first day of January in each year.

**TYPE OF COSTS:** The respondent must file the original or historical costs as found in the Annual Report of Natural Gas Companies to the Public Service Commission of the State of Missouri and/or the Federal Energy Regulatory Commission (FERC) Form No. 2, Annual Report of Major Natural Gas Companies.

**DEPRECIATION/OBSOLESCENCE:** It is recommended depreciation assignment follow the IRS guidelines found within IRS Publication 946. However, the determination of value is the responsibility of the county assessor.

**A separate real estate and personal property reporting form must be prepared for each taxing entity within a county to correctly allocate the market value. The company and assessor must work closely together to ensure the allocation of value is proper.**

# Real Estate Reporting Form



## State Tax Commission of Missouri

Return this form to the county assessor

NATURAL GAS DISTRIBUTION COMPANY - TRANS. AND DIST. PLANT: REAL ESTATE 2013				
COMPANY: <input type="text"/>				
COUNTY: <input type="text"/>		TAX DISTRICT/CODE: <input type="text"/>		
		or UPN/ACCOUNT #: <input type="text"/>		
Account Number:		367	376	380
Account Name:		MAINS	MAINS	SERVICES
Line	Construction Work in Progress			
1				
2	Original Costs are reported by year placed in service	2012		
3		2011		
4		2010		
5		2009		
6		2008		
7		2007		
8		2006		
9		2005		
10		2004		
11		2003		
12		2002		
13		2001		
14		2000		
15		1999		
16		1998		
17		1997		
18		1996		
19		< 1996		
<p>This form is utilized to provide the assessor with the original cost and year placed in service of assets considered real estate for the designated taxing district/account.</p> <p>Construction work in progress is reported in the appropriate column on line 1.</p> <p>Original costs of assets in place are reported in the appropriate columns on lines 2 through 19.</p>				

# Personal Property Reporting Form



## State Tax Commission of Missouri

Return this form to the county assessor

NATURAL GAS DISTRIBUTION CO. - TRANS. AND DIST. PLANT: PERSONAL PROPERTY 2013					
COMPANY: <input type="text"/>					
COUNTY: <input type="text"/>			TAX DISTRICT/CODE: <input type="text"/>		
			or UPN/ACCOUNT #: <input type="text"/>		
	Account Numbers:		368, 369, 377, 378, 379	381, 382, 383, 384, 385	370, 371, 386, 387
	Account Names:		Compressor, Measuring & Reg. Station Equipment	Meters & Install., House Reg. & Install., Ind. Meas. & Reg. Equip.	Communication & Other Equip., Other Property on Customers' Premises
Line	Construction Work in Progress				
1					
2	Original Costs are reported by year placed in service	2012			
3		2011			
4		2010			
5		2009			
6		2008			
7		2007			
8		2006			
9		2005			
10		2004			
11		2003			
12		2002			
13		2001			
14		2000			
15		1999			
16		1998			
17		1997			
18		1996			
19		< 1996			
<p>This form is utilized to provide the assessor with the original cost and year placed in service of assets considered person property for the designated taxing district/account.</p> <p>Construction work in progress is reported in the appropriate column on line 1.</p> <p>Original costs of assets in place are reported in the appropriate columns on lines 2 through 19.</p>					



# Real Estate Valuation Form



## State Tax Commission of Missouri

NATURAL GAS DISTRIBUTION COMPANY - TRANS. AND DIST. PLANT: REAL ESTATE 2013						
COMPANY						
COUNTY:		TAX DISTRICT/CODE:				
		or UPN/ACCOUNT #:				
Account Number:	367	376	380		Market	
Account Name:	MAINS	MAINS	SERVICES	Yearly Total		Value
Construction Work in Progress				\$0.00	100.00%	\$0
Original Costs are reported by year placed in service	2012			\$0.00	96.25%	\$0
	2011			\$0.00	89.03%	\$0
	2010			\$0.00	82.35%	\$0
	2009			\$0.00	76.18%	\$0
	2008			\$0.00	70.46%	\$0
	2007			\$0.00	65.18%	\$0
	2006			\$0.00	60.29%	\$0
	2005			\$0.00	55.77%	\$0
	2004			\$0.00	51.31%	\$0
	2003			\$0.00	46.85%	\$0
	2002			\$0.00	42.38%	\$0
	2001			\$0.00	37.92%	\$0
	2000			\$0.00	33.46%	\$0
	1999			\$0.00	29.00%	\$0
	1998			\$0.00	24.54%	\$0
	1997			\$0.00	20.08%	\$0
	1996			\$0.00	20.00%	\$0
<1996			\$0.00	20.00%	\$0	
Transmission and Distribution Plant, Total Value					\$0	
Transmission and Distribution Plant, Assessed Value					\$0	

# Personal Property Valuation Form



## State Tax Commission of Missouri

NATURAL GAS DISTRIBUTION CO. - TRANS. AND DIST. PLANT: PERSONAL PROPERTY 2013						
COMPANY						
COUNTY:				TAX DISTRICT/CODE:		
				or UPN/ACCOUNT #:		
Account Numbers:	368, 369, 377, 378, 379	381, 382, 383, 384, 385	370, 371, 386, 387			
Account Descriptions:	Compressor, Measuring & Reg. Station Equipment	Meters & Install., House Reg. & Install., Ind. Meas. & Reg. Equip.	Communication & Other Equip., Other Property on Customers' Premises	Yearly Total	Market Value	
Construction Work in Progress				\$0.00	100.00%	\$0
Original Costs are reported by year placed in service	2012			\$0.00	96.25%	\$0
	2011			\$0.00	89.03%	\$0
	2010			\$0.00	82.35%	\$0
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	2006			\$0.00	60.29%	\$0
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	2002			\$0.00	42.38%	\$0
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	1999			\$0.00	29.00%	\$0
	1998			\$0.00	24.54%	\$0
	1997			\$0.00	20.08%	\$0
	1996			\$0.00	20.00%	\$0
< 1996			\$0.00	20.00%	\$0	
Transmission and Distribution Plant, Total Value					\$0	
Transmission and Distribution Plant, Assessed Value					\$0	

# Other Assets

- Real Estate Assets
  - Office buildings, storage sheds, stations, land
- Personal Property Assets
  - Vehicles & equipment, office equipment, tools, materials and supplies